GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:469
ANSWERED ON:23.07.2015
Setting up of Venture Capital Fund
Vellaigounder Shri Elumalai

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government proposes for setting up of a Venture Capital Fund under the administration of Small Industries' Development Bank of India (SIDBI) to boost the powerloom sector in the country; and

(b) if so, the details and objectives thereon?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE)
IN THE MINISTRY OF TEXTILES
(SHRI SANTOSH KUMAR GANGWAR)

(a): The TEX Fund - Venture Capital Fund for Powerloom and allied products was launched on 29th October, 2013 under Integrated Scheme for Powerloom Sector Development (ISPSD).

(b): The Tex Fund is a dedicated fund with a minimum Corpus of Rs.35 crore for investing primarily in companies engaged in manufacturing and services activities in the powerloom industry. Government of India's contribution is Rs.24.50 crore to the fund and SIDBI's contribution is 30% of the fund size. The primary objective of the fund is to achieve attractive risk-adjusted returns through long term capital appreciation by way of investments in Medium and Small Enterprises in powerloom and allied sectors, requiring early or growth-stage capital infusion. A sum of Rs.11.50 crores has been released in 2014-15 to the SIDBI Venture Capital Ltd (SVCL), who is the Investment Manager under the Scheme. The Investment Committee had identified and granted 'in-principle' approval to nine companies for investment from the fund.
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